



MEDI-CAL PROGRAM HIGHLIGHTS CALENDAR YEAR 1997

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THE MEDI-CAL PROGRAM

A BRIEF SUMMARY OF MAJOR EVENTS

INTRODUCTION

The California Medical Assistance Program (Medi-Cal) was established pursuant to Chapter 4, Statutes of 1965, by the Second Extraordinary Session of the California Legislature. The program was enacted to take advantage of federal funds made available by the 1965 Title XIX amendments to the Social Security Act. The stated purpose was to provide "basic and extended health care and related remedial or preventive services to recipients of public assistance and to medically needy aged and other persons, including such related social services as are necessary".

A further intent of the program was that the medical care should be mainstream. Mainstream was defined as comparable to care purchased out of pocket or through private insurance. Prior to Medi-Cal, many public assistance and medically needy persons were forced to rely on charitable institutions, especially county hospitals. These hospitals were generally prohibited by law from accepting paying patients.

The new program also required certain basic services be made available to all beneficiaries. Under the medical programs replaced by Medi-Cal, it was possible to deny medical services to adults in aid to needy children cases, but provide them to other adult beneficiaries.

The new federal law required the State to work towards general improvement in the amount and quality of medical care provided to beneficiaries, improvements in medical social services, and improvements in the organization and delivery of medical care to eligible beneficiaries. The State was also required to work toward extending Medi-Cal coverage to medically indigent persons (non-categorically linked persons 21-64 years old) by July 1, 1977; this was subsequently repealed by the Social Security Amendments of 1972.

This report covers events that effected Medi-Cal in Calendar Year 1997 only. Copies of prior years are available upon request.

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HIGHLIGHTS OF 1997 PROGRAM CHANGES

The following discusses the major changes in Medi-Cal and related programs during Calendar Year 1997.

State Only Family PACT, January 1997

The State Only Family Planning, Access, Care and Treatment (Family PACT) Program took the place of the State-Only Family Planning (SOFP) Program to expand access to family planning services in California for all men and women with incomes at or below 200 percent of poverty with no other source of health care coverage for family planning services. Eligibility for Family PACT services is based on family size, income, and the availability of other health care coverage and will be determined by the medical provider annually.

Minimum Wage Increase, February 1997

The new minimum wage changes, including both Federal and State changes, result in the following four new levels above the previous rate of \$4.25 per hour:

1. \$4.75/hr as of October 1, 1996 (Federal)
2. \$5.00/hr as of March 1, 1997 (State)
3. \$5.15/hr as of September 1, 1997 (Federal)
4. \$5.75/hr as of March 1, 1998 (State)

The increase in the minimum wage impacts the cost of medical care.

Medicare Inpatient & Outpatient Claims, September 1997

Effective September 1, 1997, the Federal Balanced Budget Act of 1997 exempts Medicaid programs from providing payment for any expenses incurred relating to payments for deductibles, coinsurance, or copayments for Medicare cost-sharing to the extent that such payment would exceed the payment amount that otherwise would be made under the State plan for such services if provided to an eligible recipient other than a Medicare beneficiary.

This change will be applied on a date of payment basis as allowed by the Balanced Budget Act of 1997 and the settlement in the Beverly v. Belshé lawsuit.

New Aid Codes 7M, 7N, 7P, and 7R: Minor Consent, September 1997

The Department of Health Services implemented four new Aid Codes (7M, 7N, 7P, and 7R) as a better method of identifying beneficiaries eligible for confidential services under the Minor Consent Program. Minor Consent Program beneficiaries are issued paper Medi-Cal Cards that are valid for identification purposes for one year. However, eligibility is still determined on a monthly basis and providers must verify the recipient's eligibility through the Point of Service Network.

The implementation of the aid codes allows the Department to claim FFP for pregnancy related minor consent services.

Aid Code 7M: Minor Consent Program (Non-FFP). Covers minors aged 12 and under 21.

Limited to services related to Sexually Transmitted Diseases, sexual assault, drug and alcohol abuse, and family planning.

Aid Code 7N: Minor Consent Program (FFP). Covers pregnant female minors under age 21. Limited to services related to pregnancy and family planning.

Aid Code 7P: Minor Consent Program (Non-FFP). Covers minors age 12 and under 21. Limited to services related to sexually Transmitted Diseases, sexual assault, drug and alcohol abuse, family planning, and outpatient mental health treatment.

Aid Code 7R: Minor Consent Program (Non-FFP). Covers minors under age 12. Limited to services related to family planning and sexual assault.

Healthy Families Program, July 1, 1998

Although the Healthy Families Program was implemented in 1997, it did not take effect until 1998.

The Healthy Families (HF) Program provides health coverage to uninsured children, ages 1 to 19 years of age from low income families that do not qualify for no-Share of Cost (SOC) Medi-Cal, by subsidizing private health insurance. Healthy Families will provide health, dental and vision benefits to California children who are ineligible for no-SOC Medi-Cal and whose family incomes fall at or below 200 percent of the federal poverty level (FPL). Children who will be insured by HF represent a segment of the population that differs from those covered under Medi-Cal and commercial insurance. The program was implemented with passage of Assembly Bills 217, 1126, 1572 and Senate Bill 903.

The Managed Risk Medical Insurance Board (MRMIB) administers and establishes policy for the HF Program. MRMIB is contracting with health care plans statewide to provide the medical, dental and vision services to children enrolled in the Healthy Families Program.

Loss of FFP For Eligible Qualified Aliens, October 1997

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 redefined the categories of aliens who are eligible for federally funded full scope Medi-Cal. Although FFP is only available for emergency services for some aliens, California continues to provide full scope Medi-Cal to all aliens who are eligible pursuant to the rules that were in effect prior to PRWORA. Beginning with October 1997 expenditures, the Department only claims FFP for emergency services to those aliens limited to emergency services under PRWORA. Nonemergency services for these aliens are paid for entirely with state funds.